



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

July 18, 2014

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

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Fifth District

REPORT BACK ON ANALYSIS OF SUPERVISOR RIDLEY-THOMAS' MOTION ON INITIAL STEPS TO SUPPORT A COMPREHENSIVE DIVERSION PLAN FOR LOS ANGELES COUNTY (ITEM NO. S-2, AGENDA OF JULY 15, 2014)

On July 15, 2014, Supervisor Ridley-Thomas read-in a motion to fund a comprehensive diversion plan for Los Angeles County. The Board moved to consider the motion the following week, July 22, 2014, and directed the Chief Executive Officer (CEO) to report back on July 22, 2014, with an analysis of the motion.

For an initiative of this magnitude, we would like the opportunity to explore it more fully, especially in light of the multiple related efforts being concurrently undertaken, including the District Attorney's initiative to develop a Comprehensive Mental Health Diversion Plan, the Board's efforts to move forward with the construction of both a replacement facility for Men's Central Jail as well as a Women's facility that are purposefully designed to accommodate more supportive services, efforts by the Sheriff's Department and the Department of Mental Health to address mental health services in the jails, efforts by the Sheriff's Department to address use of force and other concerns about the management of the jails identified by the Citizen's Commission on Jail Violence, and various other diversion programs and alternatives to custody currently underway in the County's jails in partnership with providers of supportive services, as well as other members of the criminal justice community.

We would also suggest a commitment to an on-going appropriation of this magnitude be addressed in the Board's budget process. That would allow the Board to consider this funding in the context of the Board's other important priorities.

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Understanding that a more thorough and comprehensive assessment may be useful, our preliminary assessment of the 5 directives contained in the July 15, 2014 Supervisor Ridley-Thomas motion are as follows:

1. Direct the Chief Executive Officer to identify and set aside at least \$20 million in the FY 14-15 Supplemental Budget Adjustment for the implementation of a coordinated and comprehensive diversion program.

Without further analysis, it is difficult to determine which aspects of a coordinated and comprehensive diversion program would require one-time versus on-going funding. If the diversion program is intended to be a continuing program, then it would constitute an on-going financial commitment. Historically, the County's Supplemental Budget phase has been used for the Board to allocate any excess fund balance that was identified during the Auditor-Controller's closing of the books for the prior budget year. Board's policy directs one-time money to be appropriated only for one-time use.

Although the majority of funds available for reallocation through the Supplemental Budget process are one-time in nature, revenue projections for the current year are also updated during the Supplemental Budget phase. We anticipate that property taxes may increase by as much as \$24 million.

As with any other source of on-going revenue, the Board could use the increased property tax proceeds to fund a comprehensive diversion program. However, they should be allocated in consideration of other Board priorities, including continued implementation of the recommendations from the Citizen's Commission on Jail Violence, the establishment of the Blue Ribbon Commission's Office of Child Protection, Utility User's Tax backfill, and investment in new County facilities, to name a few. Because there are several priorities for funding, it may be prudent to consider funding for this program through the budget process. It may also be prudent to defer consideration of funding for this program until the Board has the opportunity to review the District Attorney's workgroup's recommendations for a Comprehensive Mental Health Diversion Plan, expected to be released in October.

2. Direct Auditor-Controller to develop a methodically sound formula for how much the County should invest in diversion on an ongoing basis.

Should the Board choose to proceed with developing a formula for annual investment in a diversion program, this Office is ready to assist the Auditor-Controller in that effort.

Such a formula should be developed in the context of the County's overall budget and financial needs, paired with a programmatic assessment of the County's current efforts,

opportunities to enhance or shift the current approach, and the funding required to do that. We would also recommend that such a programmatic assessment include the identification of specific milestones, goals, and measurable outcomes.

Historically, this Office has worked very closely with the Auditor-Controller, especially in the areas of the Auditor-Controller's primary functions mainly relating to accounting and auditing. Traditionally, it has not been the Auditor-Controller's role to develop spending formulas for new Board-priority programs. As stated above, this Office is ready to assist the Auditor-Controller in that effort.

3. Direct Chief Executive Officer to identify real property and/or available underutilized County facilities located on County medical campuses for permanent supportive housing for individuals suffering from mental illness...

The County has demonstrated a strong commitment to develop and maintain permanent supportive housing. We can work with the County's Community Development Commission and report back on the elements of the County's program, and further explore expanding this program should the Board identify further expansion as a policy priority.

Should the Board choose to expand this program, we can report back on locations or facilities that might be available on County medical campuses whose use for additional permanent supportive housing would be consistent with the Board-approved master plans for those campuses.

4. Direct the Director of Mental Health (DMH) to develop a process that comports with state law to prioritize the MHSA funding to specifically support more diversion efforts for persons with mental illness.

Should the Board wish to pursue the reallocation of Mental Health Services Act (MHSA)-funds to support more diversion efforts for persons with mental illness, this Office is ready to work with the Department of Mental Health to present a more detailed and comprehensive analysis and to recommend a process.

For the purposes of this preliminary report, we can confirm that MHSA funds are eligible to fund community services for individuals who have been released from jail and/or probation facilities. Individuals who are incarcerated in jail, and/or probation facilities, may also receive MHSA-funded services for the purpose of discharge planning and linkage to community-based care; however, the use of MHSA funds to provide services to a person in a custody (involuntary) setting is limited to pre-release planning, and cannot be used to pay for law enforcement or court personnel.

We are working with DMH to identify potential options for the use of MHSA funding that may support a comprehensive diversion plan. Mid-year adjustments to the plan are allowable, though the adjustment must go through the MHSA stakeholder process. Historically, stakeholders have supported Board priority programs. DMH already funds more than 4,000 adult Full Service Partnership (FSP) slots and additional Field-Capable Clinical Services (FCCS). Individuals leaving the jail system are among the focal populations DMH requires agencies to serve. County providers are already aware that County priorities include jail diversion population and County Department of Health Services (DHS) hospital clients.

5. Direct Chief Executive Officer to report on the availability of work force training funds that could be incorporated into a diversion program.

Should the Board wish to pursue redirection of Workforce Investment Act (WIA) funds, this Office is ready to work with the County's Department of Community and Senior Services to provide a more thorough analysis of possibilities. WIA funds can be used to provide services to people who have served time in County jails. Last year, WIA provided vocational training, job search and other supportive services to 5,500 individuals, of which 300 were ex-offenders.

The County's WIA system, as a whole, is limited in its expertise to provide services to individuals that have been arrested or convicted of a crime. In 2012, the County conducted a short term pilot to provide services to inmates prior to their release. Some of the services included orientation, as well as general information and referral to the Workforce System. Subsequent to this pilot, the Sheriff contracted with one of the provider agencies for specialized employment services to this population.

Consistent with the Governor's State plan, the County's Workforce Investment Board (WIB) has already established a policy that 30 percent of WIA funds should be used to provide services to priority populations such as veterans, mature workers, at risk youth, individuals with disabilities, and other at-risk populations such as ex-offenders. This policy was included in the five year strategic plan approved by the Board in 2013 as part of our overall WIA Redesign. In addition, some of the agencies working with the County have successfully competed for grants with the Department of Labor to provide employment services to ex-offenders.

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Conclusion

As stated above, this Office is ready to work with the County's Auditor-Controller, Department of Mental Health, Department of Community and Senior Services, and Community Development Commission to further explore and refine the elements, cost, and available funding for an enhanced custody diversion program. We would recommend that this effort be undertaken in a coordinated fashion to consider the other efforts currently underway in this area, and in support of the District Attorney's Countywide Mental Health Summit convened with justice partners to create a comprehensive mental health diversion plan for Los Angeles County. We will be prepared to report back to your Board as part of the Supplemental Budget process.

WTF:BC
LR:aec

c: Sheriff
District Attorney
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Community and Senior Services
Community Development Commission
Mental Health